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SUBJECT: THIS WEEK IN ALBANIA, APRIL 12-18, 2008

¶1. (U) The following is a weekly report prepared by Embassy Tirana's local staff to provide political and economic context and insight into developments in Albania.

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POLITICAL DEVELOPMENTS  
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¶2. (U) DIVISION WITHIN THE DEMOCRATIC PARTY:  
Until now, factions within the ruling Democratic Party (DP) were only seen in coffee shops and restaurants, or in appointments of officials according to who their friends were. But in recent days, as the agenda was set and changes largely agreed upon for imminent constitutional amendments to the electoral system, ideas started to change on reforming constitutional pillars, bringing to light divisions within the ruling party.

¶3. (U) One proposed amendment caused major debate, floating up through the DP's three major power groups to President Topi (a DP member until he became president). Last week a DP Member of Parliament "innocently" presented among the amendments one that would essentially strip the President of his main independent power -- Presidential decrees. Under the proposal, all Presidential decrees would be countersigned by the Prime Minister before entering into force. Opposition grew from the Topi faction of DP MPs, while PM Berisha claimed that he had been unaware of this proposal. He later said that he was against it. Even so, no one asked who came up with the idea.

¶4. (SBU) It seems that the idea had come from Berisha himself and was embraced by two opportunistic factions within the DP (the Topallis, headed by the Parliamentary Speaker, and the Rusmali-Bodes, headed by the former Justice Minister and including the current Finance Minister) that enjoy any chance to attack the third group - the Topis. The amendment was completely rejected by the opposition Socialist Party coalition, and the idea quickly died. The importance of the incident is the emergence of an effort to weaken Topi's current position and his future political career, as well as the definition of a group of Topi supporters within the DP.

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ECONOMIC UPDATES  
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¶5. (U) THE RUSSIANS ARE COMING: A local opinion maker speculated last week on the existence of a hidden deal between the GOA and Russian oil and gas companies. According to this journalist, Hungarian company MOL, one of the bidders for the upcoming privatization of the state oil refining company ARMO, is favored by

the Prime Minister to win the tender. MOL reportedly is acting as a cover for Russian oil interests, evident through already close ties. Through this acquisition, the Russians would expand their presence in the Balkans and secure control over the east-west transit of oil and gas as well as over the potentially large oil and gas reserves recently identified in Albania.

¶6. (SBU) This is not the first time that rumors of Albanian-Russian deals have been reported in the media. In 2006, the GOA expressed its intention to import natural gas and was said to have signed an agreement with Gazprom. If struck, this deal never moved forward, but perhaps Russia has not lost interest in Albania. Our Albanian journalist chastised the GOA for flirting with Russia in this manner before the ink on the NATO membership invitation has dried. (See also septel.)

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THIS WEEK IN ARTS AND CULTURE  
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¶8. (U) RENOVATING SKANDERBEG SQUARE: Competing proposals for the rehabilitation of Tirana's main square were presented last week to a panel jury and the public. The Municipality of Tirana organized this international competition, which received an amazing range of proposals from acclaimed architects and designers from Belgium, France, Italy, Spain, Holland, and the U.S. Open to the public, the event sparked the interest of hundreds of citizens, architects, artists and architecture students. The project will be financed by the government of Kuwait. The jury of eleven (seven Europeans and four Albanians, including Tirana Mayor Edi Rama) decided unanimously on Belgium's Studio 51N4E, which plans to create a public space filled with greenery. American firm Daniel Libeskind Architects won the Public Prize with its idea of a square for citizens to highlight symbols of history and reminders of freedom.

¶9. (U) ALBANIAN WEIGHTLIFTER WINS A PLACE IN BEIJING: Albanian

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female weightlifter Romala Begaj won the gold medal at the European Championship qualifying for the Beijing 2008 Olympic Games. Begaj, 21 years old, competes in the 58 kg category. She is Albania's newest female weightlifting talent after European Champion Fetije Kasa who was stripped last year of her gold European Championship medal after failing a drug test.

WITHERS